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INDIAN MOVES AGAINST PORTUGUESE POSSESSIONS

- Current Situation I.
 - A. Indian-inspired "volunteers," members of Goan nationalist movement, began on 22 July to "liberate" isolated parts of Portugal's three pockets in India -- Goa, Damao and Diu -with object of incorporating them with India. development is attempt to repeat against the Portuguese 25X1 tactics India has used to induce French to cede their two remaining territories.

B. Portugal has announced "intransigent firmness" toward Indian pressure. Lisbon has:

1. Raised the subject in North Atlantic Council on 26 July, but did not ask for action under NATQ. (NOTE: US and UK admit applicability of Article 4 only, which

calls for consultation, but no decision or action.)

State Department review completed

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- 2. Sent about 2,000 reinforcements to India, will raise

 Portuguese troop strength there to estimated 5,000.
- 3. Informed US embassy in Lisbon, 23 July, environs of port cities would be defended, but that enclaves surrounded by Indian territory will be left to shift

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II. Background

A. Indian Attitude

- Portuguese pockets are relics of 16th century imperialism, offensive to Indian nationalism, and bases for smugglers whom Portuguese do not control.
- 2. Portuguese deny basic civil rights to their Indian subjects, oppressing legitimate aspirations of people.

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- 3. India is not responsible for popular reaction to

 Portugal's oppressive policy, and has no connection

 with "volunteers," although Indian troops have been

 stationed around "liberated" enclaves to prevent return

 of Portuguese authority.
- 4. Indian Foreign Office spokesman has assured US ambassador

 Allen that India will not use force.

B. Portuguese Attitude

- 1. Sentimental attachment to Indian possessions, as tokens of once-great empire.
- 2. Consciousness of interests of Catholic Church in Indian possessions.
- 3. Fear that ouster from India may lead to agitation in African colonies -- Angola, Mozambique.
- 4. Consequently Portuguese have rigidly refused even to
 discuss question of transferring pockets to India, and
 have taken refuge in constitutional fiction that
 Portuguese territories oversea are integral and

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III. Prospects

- A. Continuing tension, the degree of which is controlled largely by New Delhi, which can turn tap of "volunteers" on and off at will.
- B. Possibility of violence on a larger scale, if scheduled 15 August Indian Independence Day "liberation" march on Goa takes place as announced.
- C. In case violence occurs on larger scale, Portugal may invoke MAT Art. 4, which is toothless but nonetheless embarrassing for US and Britain, since in this event NATO certain to be portrayed by India as a "hold alliance" defending colonialism.
- D. British position is particularly difficult, because UK's ancient alliance with Portugal and Indian membership in Commonwealth. London reported to be trying to moderate India's attitude.

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E. Timing of Indian move against Portugal adds to possible embarrassment for West, since West presumably will be reluctant to offend New Delhi while latter is chairing Indochina truce supervision mechanism.